

ELI H. BROWN III (1906-1974) *
 RUCKER TODD
 HENRY R. HEYBURN
 RANDOLPH A. BROWN
 GEORGE E. DUDLEY
 EDWARD S. BONNIE
 JOSEPH B. HELM
 MARK B. DAVIS, JR.
 W. C. FISHER, JR.
 JAMES PARK, JR. *
 JOHN T. BONDURANT
 CHARLES S. CASSIS
 MARSHALL P. ELDRED, JR.
 CARL ARTHUR HENLEIN
 R. MARTIN ROCKWELL
 JOHN R. MCCALL
 D. PATTON PELFREY
 KENNETH J. TUGGLE
 C. EDWARD GLASSCOCK
 WINSTON E. MILLER
 WILLIAM L. SKEES, JR.
 PAUL E. SULLIVAN *
 IRVIN ABELL III
 TIMOTHY W. MARTIN
 R. JAMES STRAUS
 CRAIG L. SPARKS
 STEPHEN R. SCHMIDT
 CHARLES R. KEETON
 HAL NANCE BOGARD
 JOSEPH L. T. ARDERY
 C. CHRISTOPHER TROWER
 CHARLES E. ALLEN III
 DALE E. AHEARN
 JOHN M. NADER
 C. DAVID REDMON
 MICHAEL R. MERCER
 JOHN G. HEYBURN II
 FREDERIC H. DAVIS
 STEPHEN E. EMBRY *

BROWN, TODD & HEYBURN

SIXTEENTH FLOOR

CITIZENS PLAZA

LOUISVILLE, KENTUCKY 40202

(502) 589-5400

LEXINGTON OFFICE

(FORMERLY PARK & SULLIVAN)

116 NORTH UPPER STREET

LEXINGTON, KENTUCKY 40507

(606) 233-4068

January 23, 1984

RECORDATION NO. 14260 FILED 1425

JAN 25 1984 - 11 25 AM
 INTERSTATE COMMERCE COMMISSION

4-025A047

NO. JAN 25 1984

50.00

100 THRU 100, U.S.

FREDERIC J. COWAN, JR.
 WILLIAM P. THURMAN *
 D. DUANE COOK *
 KEITH GRAHAM HANLEY
 BRUCE K. DUDLEY
 RICHARD H. SOAPER, JR.
 MARK R. FEATHER
 HAPPY R. PERKINS
 OLIVIA MORRIS FUCHS
 BETH DOUTT ANGUS *
 ROXANE TOMASI REINHARDT
 VICTOR B. MADDOX
 SUSAN C. SIMPSON
 JEFFREY C. EVERETT
 DAVID L. MIRKIN
 DAVID W. SEEWER
 RICHARD L. WOOD
 DOUGLAS S. HYNDEN
 ELIZABETH P. DEVINE
 DEBBIE F. REISS
 H. LEON SHADOWEN, JR.
 JAY MIDDLETON TANNON
 SCOTT W. DOLSON
 PHILLIP A. BROOKS
 KERRY B. HARVEY *
 KENNETH E. LAUTER
 REBECCA CASEY REED
 THOMAS A. WISEMAN III

PHILIP P. ARDERY
 SAMUEL R. WELLS
 MARSHALL P. ELDRED
 OF COUNSEL

* LEXINGTON OFFICE

96:dd
 B-9583

Ms. Agatha L. Mergenovich
 Secretary, Interstate Commerce Commission
 Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document dated January 20, 1984.

The names and addresses of the parties to the documents are as follows:

Debtor:

Mr. J. Rogers Badgett, Sr.
 P. O. Drawer H
 Madisonville, KY 42431

Secured Party:

Liberty National Bank and
 Trust Company of Louisville
 416 West Jefferson Street
 Louisville, Kentucky 40202

Attn: Commercial Loan Department

JAN 25 11 45 AM '84
 RECEIVED
 FEE OPERATION BR.
 I.O.O.

EXHIBIT "A"

<u>Number of Units</u>	<u>Road Numbers</u>		<u>Trust Equipment Description</u>
65	PLMX 10551	PLMX 10561	100-ton, 4,750-cubic foot capacity, truck gravity discharge covered hopper cars
	PLMX 10552	PLMX 10562	
	PLMX 10553	PLMX 10563	
	PLMX 10554	PLMX 10564	
	PLMX 10555	PLMX 10565	
	PLMX 10556	PLMX 10566	
	PLMX 10557	PLMX 10567	
	PLMX 10558	PLMX 10568	
	PLMX 10559	PLMX 10569	
	PLMX 10560	PLMX 10570	
	PLMX 10571	PLMX 10581	
	PLMX 10572	PLMX 10582	
	PLMX 10573	PLMX 10583	
	PLMX 10574	PLMX 10584	
	PLMX 10575	PLMX 10585	
	PLMX 10576	PLMX 10586	
	PLMX 10577	PLMX 10587	
	PLMX 10578	PLMX 10588	
	PLMX 10579	PLMX 10589	
	PLMX 10580	PLMX 10590	
	PLMX 10591	PLMX 10601	
	PLMX 10592	PLMX 10602	
	PLMX 10593	PLMX 10603	
	PLMX 10594	PLMX 10604	
	PLMX 10595	PLMX 10605	
	PLMX 10596	PLMX 10606	
	PLMX 10597	PLMX 10607	
	PLMX 10598	PLMX 10608	
	PLMX 10599	PLMX 10609	
	PLMX 10600	PLMX 10610	
	PLMX 10611	PLMX 10614	
	PLMX 10612	PLMX 10615	
	PLMX 10613		

Interstate Commerce Commission

Washington, D.C. 20423

1/25/84

OFFICE OF THE SECRETARY

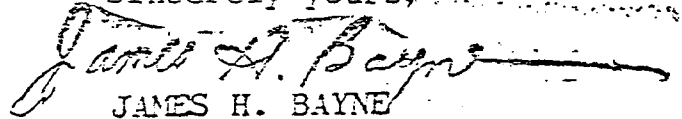
Rebecca C. Reed
Brown Todd & Heyburn
1600 Citizens Plaza
Louisville, Kentucky 40202

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/25/84 at 11:55am and assigned re-recording number(s). 14260

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

B-5983
96:ms:1180
1/20/84

14260
RECORDATION NO. _____ FILED 1425

JAN 25 1984 - 11 25 AM

SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

This is a Security Agreement dated as of January 20, 1984, between J. Rogers Badgett, Sr. ("Debtor"), an individual with an address at P.O. Drawer H, Madisonville, Kentucky 42431, and Liberty National Bank and Trust Company of Louisville ("Secured Party"), a national banking association with its principal office at 416 West Jefferson Street, Louisville, Kentucky 40202.

Recitals

A. Secured Party has loaned Debtor \$1,293,432.57 (the "Loan") and the Loan is evidenced by Debtor's promissory note in that principal amount dated January 20, 1984 (the "Note").

B. Debtor has used the proceeds of the Note to acquire or refinance the 4,750 cubic foot capacity, unlined, 100-ton truck gravity discharge covered hopper railroad cars described in Annex A attached to and made a part of this Agreement (the "Equipment").

C. Debtor desires to secure all of its obligations under the Note by granting to Secured Party a security interest in the Equipment, and certain other security as described in this Agreement.

NOW, THEREFORE, Debtor and Secured Party have agreed as follows:

1. Grant of Security Interest in Equipment. Debtor grants to Secured Party a security interest in all of Debtor's right, title and interest in and to the Equipment, in and to all of Debtor's right, title and interest in and to any property which Debtor may hereafter acquire arising out of or in connection with the Equipment, and in and to the proceeds or products of any sale, exchange, collection or other disposition of the Equipment.

2. Covenant to Assign Future Management Agreement or Lease. If at any time while any of the Loan remains outstanding all or any part of the Equipment should become subject to any management agreement, lease, and/or other arrangement pursuant to which any party other than Debtor either has the right to use or possess all or any part of the Equipment or is obligated to pay sums to or on behalf of Debtor with respect to the Equipment (an "Equipment Agreement"), Debtor shall assign to Secured Party all of his rights under such Equipment Agreement, or in the case of more than

one such Equipment Agreement, under all such Equipment Agreements. Such assignment shall be as additional security for the Secured Obligations (defined below), and shall be pursuant to a written agreement satisfactory to Secured Party in form and substance.

3. Secured Indebtedness. The and security interest created by this Agreement shall secure the payment and performance of all of the following obligations (collectively, the "Secured Obligations").

(a) All of the liabilities, obligations and duties of Debtor evidenced by the Note, and under this Agreement, and any other instrument or document made by Debtor in favor of Secured Party with respect to the indebtedness evidenced by the Note, and any and all extensions, renewals, substitutions, novations and changes in form thereof which may be effected from time to time or for any term or terms.

(b) All costs and expenses incurred or paid by Secured Party enforcing its rights under or pursuant to this Agreement, the Note, an assignment of any Equipment Agreement or any other instrument or document, including without limitation reasonable attorneys' fees and interest on all sums expended by Secured Party in enforcing such rights from the dates of each such expenditure at the rate of interest provided in the Note.

(c) All of Debtor's liabilities, obligations and duties under any Equipment Agreement which Secured Party may, but is not obligated to, undertake in order to protect the value of such Equipment Agreement as collateral for the Secured Obligations.

4. Representations and Warranties. To induce Secured Party to enter into this Agreement, Debtor represents and warrants as follows:

(a) Debtor has full power and authority to enter into and perform the Note and this Agreement, and the Note and this Agreement have been fully executed and delivered and constitute legal, valid and binding obligations of Debtor enforceable in accordance with their terms.

(b) Debtor has good and marketable title to the Equipment, and the Equipment is not subject to any lien, charge, pledge, encumbrance, claim or security interest other than the security interest created by this Security Agreement, and the security interest in favor of ChemLease, Inc. Debtor

has full power and authority to grant a security interest in the Equipment.

(c) Debtor's address is as set forth in the preamble to this Agreement.

(d) The security interest in the Equipment effected and created pursuant to this Agreement constitutes a valid and perfected first priority security interest in favor of Secured Party in the Equipment, inferior only to the security interest referenced in subparagraph (b) of this paragraph.

(e) Any financial statements, concerning Debtor, presented by or on behalf of Debtor to Secured Party have been prepared in accordance with generally accepted accounting principles, consistently applied, and present fairly the financial position of the person to whom such financial statement relates as of the date thereof, and the results of operations for the period or periods covered thereby. Since the date of such financial statements there have been no material adverse changes in the financial condition represented by those financial statements.

5. Certain Notices. Debtor shall notify Secured Party of any change of location of Debtor's residence at least 30 days prior to effecting any such change.

6. Duration of Security Interests. Secured Party, its successors and assigns, shall hold the security interest created hereby upon the terms of this Agreement, and this Agreement shall continue until the Secured Obligations have been paid in full.

7. Covenant not to Dispose. Without Secured Party's prior written consent, Debtor shall not sell, transfer, assign or otherwise dispose of the Equipment or any interest therein.

8. Priority of Security Agreement. The security interest created herein shall be superior to any rights granted under any Equipment Agreement; provided, however, this Agreement and the security interest created hereby may be subject to the rights of a lessee under a lease, with Secured Party's prior written consent.

9. Insurance. Debtor, at its own expense, shall insure the Equipment (or cause it to be insured) against fire, theft and casualty damage in an amount not less than the outstanding balance of the Secured Obligations. Such insurance shall be satisfactory to Secured Party as to form, amount and insurer. Such insurance shall name Secured Party as an additional

insured and loss payee, and shall afford to Secured Party such additional protection or insure against such additional risks or hazards as Secured Party may reasonably request from time to time. Such insurance shall provide that the insurance provided thereunder cannot be cancelled without thirty days prior written notice to Secured Party, and that any loss thereunder shall be payable to Secured Party notwithstanding any action, inaction, breach of warranty or condition, breach of declaration, misrepresentation or negligence of Debtor. Debtor shall provide Secured Party with evidence satisfactory to it of Debtor's due compliance with this paragraph. Debtor hereby assigns to Secured Party all sums which become payable under any insurance covering the Equipment, and Secured Party may act as attorney for Debtor in obtaining, adjusting, settling, compromising and cancelling such insurance and endorsing any drafts drawn to Debtor pursuant to such insurance.

10. Filing Fees. Debtor shall pay all costs of filing any financing, continuation or termination statement necessary to perfect or protect, or to maintain or terminate the perfection or protection of Secured Party's security interest created by this Agreement (including, without limitation, any fees incurred in connection with the recordation of this Agreement with the Interstate Commerce Commission); or shall upon demand reimburse Secured Party for such costs, and until reimbursement such costs shall be a part of the Secured Obligations.

11. Further Assurance. Debtor shall sign from time to time such other documents and instruments, and take such other action, as Secured Party may reasonably request to (a) more fully create and maintain the security interest in the Equipment intended to be created in this Agreement, and to perfect or protect any such security interest; and (b) create and maintain the assignment of any Equipment Agreement(s) contemplated in paragraph 2 of this Agreement, and to perfect and protect any such assignment.

12. Certain Obligations Regarding Collateral. Debtor shall cause the Equipment to be kept and maintained in good condition and repair and under adequate condition of storage to prevent its deterioration or depreciation in value, reasonable wear and tear from ordinary use excepted. Debtor shall keep the Equipment free and clear of liens, charges and encumbrances and shall declare and pay all amounts, including fees, assessments, charges or taxes allocable to the Equipment, or which might result in a lien against the Equipment unless Debtor at its own expense is contesting the validity or amount of such amount in good faith by an appropriate

proceeding timely instituted which shall, in Secured Party's opinion, be effective to prevent the collection or satisfaction of the lien or amount so contested. If Debtor fails to pay such amount and is not contesting it in accordance with the preceding sentence, Secured Party may, but is not obligated to, pay it, and such payment shall be deemed conclusive evidence of the legality or validity of such amount. If Debtor fails to provide insurance pursuant to paragraph 9 of this Agreement, Secured Party may, but is not obligated to pay for such insurance. Debtor shall promptly reimburse Secured Party for any payment made pursuant to this paragraph, and until reimbursement, such payments shall be a part of the Secured Obligations. Any such payment by Secured Party shall not alter any provision of this Agreement, including without limitation the provision that the failure to pay such amounts by Debtor is an Event of Default.

13. Use and Inspection of Collateral. Debtor shall not use the Collateral in violation of any statute or ordinance, and Secured Party shall have the right, at reasonable hours, to inspect the Equipment wherever it is located, subject to the lessee's rights under any lease.

14. Default. At the option of Secured Party the happening of any of the following events ("Events of Default") shall constitute a default under this Security Agreement.

(a) Failure of Debtor to pay any Secured Obligation, or any installment of any Secured Obligation, within five days after the date such payment first became due.

(b) Debtor fails to perform or observe any covenant, term or condition to this Agreement (other than defaults covered by subparagraph (a) of this paragraph), and such failure is not cured within fifteen (15) consecutive calendar days after notice of the failure is given to Debtor.

(c) The occurrence of any default under the Note, or any other obligation, instrument or agreement secured by this Agreement or evidencing any Secured Obligation.

(d) Any warranty, representation or statement made herein or otherwise furnished to Secured Party by or on behalf of Debtor proves to be false in any material respect.

(e) Loss, theft, damage, destruction or encumbrance of the Equipment, or any part thereof, or the making of a levy, seizure or attachment on the Equipment or any part thereof.

(f) The creation of any lien, charge or encumbrance with respect to the Equipment without the prior written consent of Secured Party.

(g) The Equipment should become the subject matter of litigation which might, in the opinion of Secured Party, result in substantial impairment or loss of the security intended to be provided by this Agreement.

(h) Debtor shall (1) be adjudicated a bankrupt, (2) admit in writing his inability to pay his debts generally as they become due, (3) make a general assignment for the benefit of his creditors, or (4) file a petition, or admit (by answer, default or otherwise) the material allegations of any petition filed against him in bankruptcy under the federal bankruptcy laws (as in effect on the date of this Agreement, or as they may be amended from time to time), or under any other law for the relief of debtors, or for the discharge, arrangement or compromise of their debts.

(i) A petition shall have been filed against Debtor in proceedings under the federal bankruptcy laws (as in effect on the date of this Agreement, or as they may be amended from time to time), or under any other laws for the relief of debtors, or for the discharge, arrangement or compromise of their debts, or an order shall be entered by any court of competent jurisdiction appointing a receiver, trustee or liquidator for Debtor or all or a substantial part of Debtor's assets, and such petition or order is not dismissed or stayed within 30 days after the filing of such petition or the interest of such order.

15. Remedies. Upon any Event of Default, the Secured Party may, at its option, declare any and all of the Secured Obligations to be immediately due and payable; and, in addition to exercising all other rights and remedies, proceed to exercise with respect to the Equipment all rights, option and remedies of a Secured Party upon default as provided for under the Uniform Commercial Code. The rights of Secured Party upon default shall include, without limitation, the following:

(a) The right to the immediate possession of the Equipment without requirement of notice or demand, or of any legal process, subject to the rights of a lessee under any lease. In exercising this right, Secured Party may enter into the premises of Debtor or any lessee without requirement of any legal process, and Secured Party may pursue the Equipment wherever it may be found.

(b) The right to sell the Equipment at public or private sale at one or more lots. Secured Party shall be entitled to apply the proceeds of any such sale to the satisfaction of the Secured Obligations, and to expenses incurred in realizing upon the Equipment, in accordance with the Uniform Commercial Code.

(c) The right to recover the reasonable expenses of taking possession of any of the Equipment, preparing the Equipment for sale, selling the Equipment, and other like expenses, together with court costs and reasonable attorneys' fees incurred in realizing upon the Equipment for purposes of enforcing any provision of this Agreement.

(d) The right to retain the Equipment and become the owner thereof, in accordance with the provisions of the Uniform Commercial Code.

(e) The right to proceed by appropriate legal process, at law or at equity, to enforce any provision of this Agreement, or in aid of the execution of any power of sale, or for foreclosure of the security interest of Secured Party under this Agreement, or for sale of the Equipment under the judgment or decree of any court.

16. Remedies Cumulative. The rights and remedies of Secured Party shall be deemed to be cumulative, and any exercise of any right or remedy shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy, provided that by the cumulative exercise of its remedies under this Agreement, Secured Party shall not be entitled to receive more than the Secured Obligations, together with any other costs or expenses for which Secured Party would otherwise be entitled to reimbursement under this Agreement.

17. Notices.

(a) Any requirements of the Uniform Commercial Code of reasonable notice shall be met if such notice is given at least five days before the time of sale, disposition or other event or thing giving rise to the requirement of notice.

(b) All notices of communications under this Agreement shall be in writing and shall be delivered or mailed to the parties addressed at the addresses given them in the preamble to this Agreement, and any notice so addressed and mailed by registered or certified mail shall be deemed to have been given when mailed.

(c) Debtor and Secured Party may at any time, and from time to time, change the address to which notice shall be delivered or mailed by written notice setting forth the changed address.

18. Miscellaneous.

(a) Failure of Secured Party to exercise any right shall not be deemed a waiver of that right, and any single or partial exercise of any right shall not preclude the further exercise of that right. Every right of Secured Party shall continue in full force and effect until such right is specifically waived in writing signed by Secured Party.

(b) If any part, term or provision of this Agreement is held by any court to be prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision enforced to the greatest extent permitted by law, and if totally unenforceable, as if this Agreement did not contain that particular part, term or provision.

(c) The headings in this Agreement have been included for ease of reference only, and shall not be considered in the construction or interpretation of this Agreement.

(d) This Agreement shall inure to the benefit of Secured Party, its successors and assigns, and all obligations of Debtor shall bind his heirs, executors, administrators and assigns.

(e) This Security Agreement shall in all respects be governed by and construed in accordance with the laws of the Commonwealth of Kentucky except to the extent that the laws of any state where the Equipment might be located dictate that the laws of that state shall govern the enforcement of rights with respect to the Equipment. This Security Agreement shall be entitled to the benefit and protections provided by Title 49 of the United States Code.

IN WITNESS WHEREOF, Debtor and Secured Party have signed this Security Agreement as of the date set forth in the preamble hereto, but actually on the dates set forth below.

LIBERTY NATIONAL BANK AND
TRUST COMPANY OF LOUISVILLE

By C. E. Edmondson J. Rogers Badgett, Sr.
Title: SENIOR VICE PRES Date: January 20, 1984
Date: 1-20-84

(SEAL)

STATE OF KENTUCKY)
COUNTY OF JEFFERSON) SS

On this 20th day of January, 1984, before me personally appeared J. Rogers Badgett, Sr., to be known to be the person described in and who executed the foregoing instrument and he executed the same as his free act and deed.

David A. Wombwell
Notary Public

My Commission expires: 5/23/87

STATE OF KENTUCKY)
COUNTY OF JEFFERSON) SS

On this 20th day of January, 1984, before me personally appeared C. Louis Edmondson, Jr., to me personally known, who being by me duly sworn, says that he is the Sr. Vice President of Liberty National Bank and Trust Company of Louisville, a national banking association, that the seal

affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



David M. Wombwell
Notary Public

My Commission expires: 5/23/87

SCHEDULE A

<u>Number of Units</u>	<u>Road Numbers</u>	<u>Trust Equipment Description</u>
65	PLMX 10551 PLMX 10561 PLMX 10552 PLMX 10562 PLMX 10553 PLMX 10563 PLMX 10554 PLMX 10564 PLMX 10555 PLMX 10565 PLMX 10556 PLMX 10566 PLMX 10557 PLMX 10567 PLMX 10558 PLMX 10568 PLMX 10559 PLMX 10569 PLMX 10560 PLMX 10570 PLMX 10571 PLMX 10581 PLMX 10572 PLMX 10582 PLMX 10573 PLMX 10583 PLMX 10574 PLMX 10584 PLMX 10575 PLMX 10585 PLMX 10576 PLMX 10586 PLMX 10577 PLMX 10587 PLMX 10578 PLMX 10588 PLMX 10579 PLMX 10589 PLMX 10580 PLMX 10590 PLMX 10591 PLMX 10601 PLMX 10592 PLMX 10602 PLMX 10593 PLMX 10603 PLMX 10594 PLMX 10604 PLMX 10595 PLMX 10605 PLMX 10596 PLMX 10606 PLMX 10597 PLMX 10607 PLMX 10598 PLMX 10608 PLMX 10599 PLMX 10609 PLMX 10600 PLMX 10610 PLMX 10611 PLMX 10614 PLMX 10612 PLMX 10615 PLMX 10613	100-ton, 4,750-cubic foot capacity, truck gravity discharge covered hopper cars